

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5959-01
Bill No.: HB 1847
Subject: Nursing and Boarding Homes; Health Dept.
Type: Original
Date: March 7, 2012

Bill Summary: Changes the requirements for assisted living facilities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services - Family Support Division (FSD)** state the legislation does not impact the policy or eligibility that is determined by the FSD for nursing home applicants. Therefore, there is no fiscal impact to the FSD.

Officials from the **Department of Mental Health (DMH)** state the cost of the assessment and whether or not it would be a Medicaid eligible service are unknown. Based upon an estimated rate of \$50 per assessment for an estimated 3,830 assessments (1,915 consumers X 2 assessments/customer annually), the fiscal impact to the DMH would be \$191,500 (if the department were responsible for the cost of the assessment). If the assessment were a Medicaid eligible service, the projected cost to the DMH would be reduced to \$38,300.

Since the DMH does not know whether the assessment will be a Medicaid eligible service, the DMH projects an unknown fiscal impact to the General Revenue Fund.

Oversight obtained additional information DMH officials. The DMH negotiates a rate for its Comprehensive Psychiatric Services (CPS) clients in assisted living facilities. The clients may receive Social Security benefits or have other resources that are used to help pay the costs, but the DMH covers negotiated rate costs that exceed client resources. If negotiated rates were to increase as a result of this proposal, DMH would have an increase in costs.

Officials from the **Department of Health and Senior Services (DHSS)** provide the following assumptions regarding this proposal:

Section 198.066(17) and Section 198.073.4(5)

The Division of Regulation and Licensure (DRL) would be required to review and approve the medical assessment tool used by each facility. DRL, Section for Long Term Care Regulation (SLCR) has approved 90 different community-based assessment tools and assumes there would be either a similar number of separate medical assessment tools to approve or requests to approve modifications to the current community-based tool with the medical information included. Any time a facility wishes to modify the approved medical assessment tool, the SLCR will need to review and re-approve the tool. Because these are assessments related to medical condition, a nursing position is being requested. And additional 0.50 FTE Facility Advisory Nurse III would be needed to complete these reviews and approvals. For fiscal note purposes, DRL assumes the 0.50 FTE will use existing space and equipment.

ASSUMPTION (continued)

The DHSS estimates FY 13 costs of \$34,034; FY 14 costs of \$41,321; and FY 15 costs of \$41,806 to the General Revenue Fund.

Oversight assumes the DHSS would not hire an additional 0.5 FTE Facility Advisory Nurse III but would delegate the additional duties to existing staff.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE FUND			
<i>Section 198.073</i>			
<u>Costs - Department of Mental Health</u>			
Increase in CPS assisted living facility costs	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business assisted living facilities would be required to conduct medical assessments for residents.

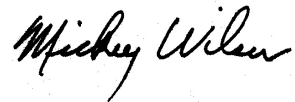
FISCAL DESCRIPTION

Currently, a licensed assisted-living facility can admit or retain an individual for residency only if the person does not require hospitalization or skilled nursing placement and the facility meets other specified requirements. This proposal adds an additional requirement that the individual is physically capable of negotiating a normal path to safety with minimal assistance. The proposal changes the admittance requirement for a community-based assessment conducted by an assisted living facility to also include a medical assessment that documents medical information provided by qualified individuals using an assessment tool approved by the Department of Health and Senior Services that is similar to the nursing home minimum data set.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Health and Senior Services
Department of Social Services -
Family Support Division

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 7, 2012